

Iowa Department of Human Services

Offer #401-HHS-004: SCHIP (State Children's Health Insurance Program)–Healthy and Well Kids in Iowa (*hawk-i*) and Medicaid Expansion

Contact Information: Ann Wiebers, awieber@dhs.state.ia.us, (515) 281-6080

This offer is for:		This offer includes the following appropriations:
	New activity	SCHIP, Field Operations, General Administration,
X	Status quo existing activity	
X	Improved existing activity	

This Offer, in combination with the department's Medical Assistance Offer (401-HHS-003), supports the Governor and State Legislature's shared goal that all children in the state have health care coverage meeting minimum standards of quality and affordability. Toward that end, these Offers support initiatives to increase the enrollment of eligible children in health care programs administered by the department.

Result(s) Addressed:

Primary Results

- **Increase the number of children enrolled in the SCHIP program**
 - Improve Iowans' Health
- **All Iowans Have Access to Quality Care**
 - Preventive Care
 - Primary Care
 - Acute/Emergency Care
 - Behavioral/Developmental Care including substance abuse and mental health treatment
 - Continuity of Care
- **Improve Preventive Strategies and Health Education**
 - Early Screening/Identification
 - Lifestyle Choices
 - Immunizations/Vaccinations
 - Teen Pregnancy Prevention
 - Consumer Education
 - Pre-Natal Care/Improved Birth Outcomes
 - Preventive Treatment
- **Improving the Health Care System**
 - Health Care Planning
 - Care Coordination

- Data Collection Analysis and Dissemination
- Ensure availability and quality of medical and health providers
- Cross System Referrals and Coordination

Program Description:

The State Children's Health Insurance Program (SCHIP) and the Medicaid program are the primary strategies to ensure that all children in the State have health care coverage available. The SCHIP program includes both a Medicaid expansion and a separate program called Healthy and Well Kids in Iowa (*hawk-i*). The purpose of SCHIP is to increase the number of children with health care coverage, thereby improving their health outcomes.

Who:

Medicaid Expansion

The Medicaid expansion component provides coverage to eligible children who are:

- Age 6 through 18 whose countable family income is between 100–133% of the Federal poverty guidelines
- Infants whose countable family income is between 185-200% of the Federal poverty guidelines
- U.S. citizens or legal permanent residents for at least 5 years

12,368 children were enrolled in the Medicaid expansion as of June 30, 2008.

hawk-i Program

The *hawk-i* program provides health care coverage to children whose families have too much income to qualify for Medicaid but who do not have health care coverage. Eligible children:

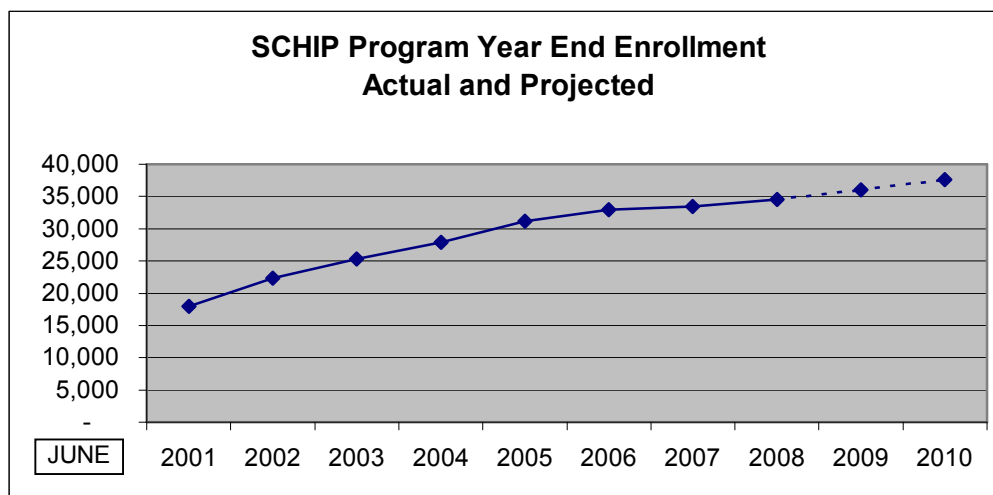
- Are under age 19
- Are uninsured and do not qualify for Medicaid
- Are U.S. citizens or legal permanent residents for at least 5 years
- Live in a family whose countable income is between 133 - 200% of the Federal poverty guidelines. For a family of four, the maximum annual income is about \$42,400

The projected number of children enrolled in the *hawk-i* program as of June 30, 2008, is 22,212 children. (The final enrollment number is not available until September 2008.)

The 2008 Iowa Legislature gave the Department authority to expand coverage under the *hawk-i* program to the following populations if Federal authority is granted as part of the SCHIP reauthorization:

- Children of State employees,
- Legal immigrant children and pregnant women,
- Children up to age twenty-one, or up to age twenty-three if the child is attending school.

The chart on the next page shows the growth in Iowa's SCHIP program since 2001.

**What:**Medicaid Expansion

Children covered by Medicaid expansion receive the same services as any other child eligible for Medicaid.

hawk-i Program

Children covered by *hawk-i* receive a comprehensive package of health care benefits that includes coverage for physician services, hospitalization, prescription drugs, immunizations, dental, vision care and more.

The total funding for this offer is \$105,166,701 consisting of:

SCHIP SFY 2010 Budget Need

Funding Source	Assumes Full Federal Funding for SFY 2010
State General Fund	\$30,260,767
Health Care Reform Bill General Funds	\$2,000,000
Estimated SFY 2009 Carry Forward	\$2,500,000
Total State Funds	\$34,760,767
(Title XXI) and other Federal Funds	\$70,396,884
Total Federal Funds	\$70,396,884
Other funds (county for Field)	\$9,050
Total	\$105,166,701

Of this amount, \$103,712,978 or over 98.6% represents direct or indirect services and benefits to Iowa children, while \$1,453,723 or less than 1.4% represents Department personnel and other administrative costs.

How:**Medicaid Expansion**

- Children covered by Medicaid expansion receive covered services through existing Medicaid provider networks. Although these children receive Medicaid covered services through Medicaid providers, this activity receives Federal funding through Title XXI, rather than Title XIX.
- Children who apply for Medicaid and who are determined ineligible, or children who lose eligibility for the Medicaid program are referred electronically to the ***hawk-i*** program by the county DHS worker. The data that was used to determine Medicaid ineligibility is transmitted to the ***hawk-i*** third party administrator (TPA) and used to determine eligibility for the ***hawk-i*** program.
- State expenditures for the Medicaid expansion component of the SCHIP program are matched approximately 3:1 by Federal funds.

hawk-i Program

- The administrative functions of the ***hawk-i*** program are handled through a contractual arrangement with a third party administrator (TPA). MAXIMUS has been the Department's TPA since 2000. In SFY 2008 the Department began a competitive procurement process for a TPA. Policy Studies, Inc. (PSI) was awarded the TPA contract. PSI will assume responsibility for all aspects of application processing and enrollment for the ***hawk-i*** program effective January 1, 2009. These activities include customer service, determining eligibility, screening for Medicaid eligibility, billing and collecting premiums, notifying the health plans of enrollment, conducting welcome calls and various surveys, and the provision of statistical data to the Department.
- The ***hawk-i*** program is designed as a commercial health care model. Children in the ***hawk-i*** program receive covered services through providers contracted with participating health and dental plans. The health and dental plans provide insurance cards that are presented to the provider when obtaining services and the plans process all claims. Current plans include Wellmark Blue Cross Blue Shield of Iowa, Wellmark Health Plan of Iowa, AmeriChoice (United Healthcare Plan of the River Valley, Inc.), and Delta Dental Plan of Iowa.
- Federal law requires that all children who apply for the ***hawk-i*** program must be screened for Medicaid eligibility. If a child appears eligible for Medicaid, the application is referred to the Medicaid eligibility workers who are co-located with the Department's ***hawk-i*** TPA for processing.
- Families with countable income between 150% and 200% of the Federal poverty level pay a premium of \$10 per child per month but no family pays more than \$20 per month. For a family of four, 150 to 200% of the Federal poverty level is equivalent to annual income between \$31,801 and \$42,400.
- State expenditures for the ***hawk-i*** component of the SCHIP program are matched approximately 3:1 by Federal funds.

Increasing Enrollment: Community and Statewide Strategies

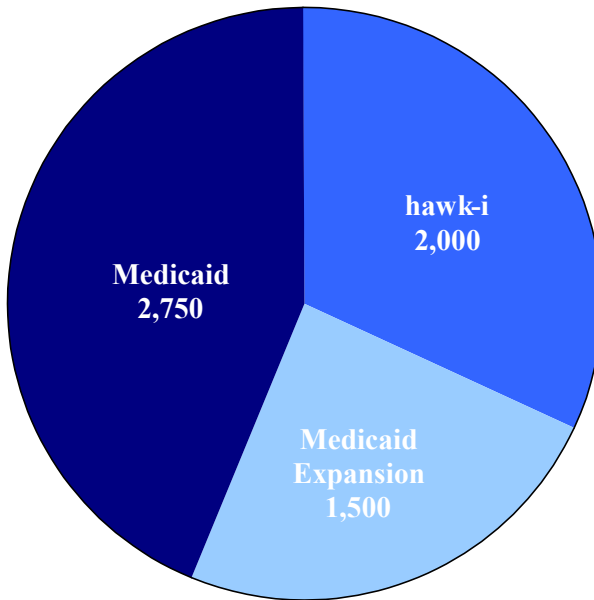
- Because studies show that, on average, a person must be exposed to a message seven times from multiple sources before taking action, the Department utilizes multiple approaches to educate families about the program and identify and enroll eligible children.
- Grassroots community-level outreach conducted through a contractual arrangement with the Iowa Department of Public Health (IDPH) is the bedrock of the Department's strategy to identify and enroll eligible children. IDPH subcontracts this activity with their Title V agencies to tailor outreach strategies that, at a minimum, includes working with schools, medical providers, the business community and faith-based organizations.
- For a more global approach, the Department contracted with ZLR Ignition to conduct an extensive media campaign to promote *hawk-i* and Medicaid. Numerous mediums including television, radio, billboards, newspapers, print ads, gas pump toppers and transit bus advertisements were used to reach Iowans at home or on the road.

2006 census data estimated there are 25,000 uninsured children in Iowa who qualify for the current Medicaid and SCHIP programs. Therefore,

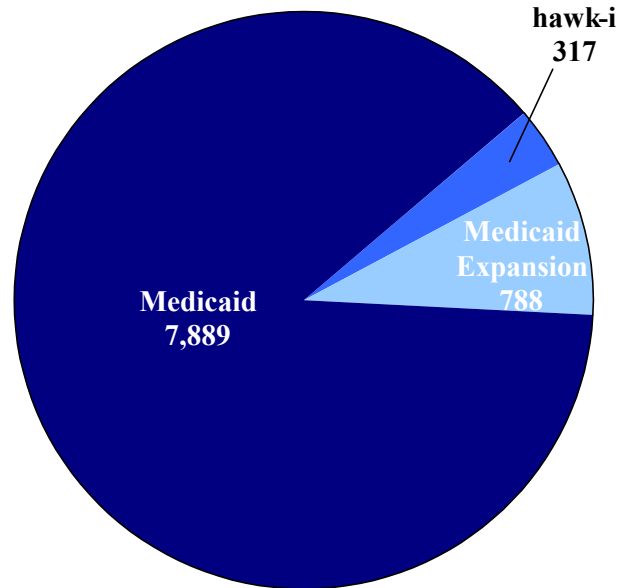
- For SFY 2008, the department established a goal of increasing enrollment of children by 6,250.
- Actual overall growth in SFY 2008 was 8,994, surpassing the anticipated target by 2,744 or over 43%.
- It is important to note that the majority of these children were enrolled after the media campaign began in January.
- The distribution of eligible children was different than what was projected. A significant number of families who applied for *hawk-i* because of the media campaign had income within Medicaid guidelines.
- SFY 2009 growth is estimated to be an additional 6,858 children.
- SFY 2010 growth is estimated to be an additional 5,890 children.
- As with SFY 2008, the department currently expects the majority of growth to occur within the regular Medicaid program.
- Total growth from SFY 2008 to the end of SFY 2010 is projected to be 21,742.

Annual Growth of Children Covered in Medicaid and SCHIP

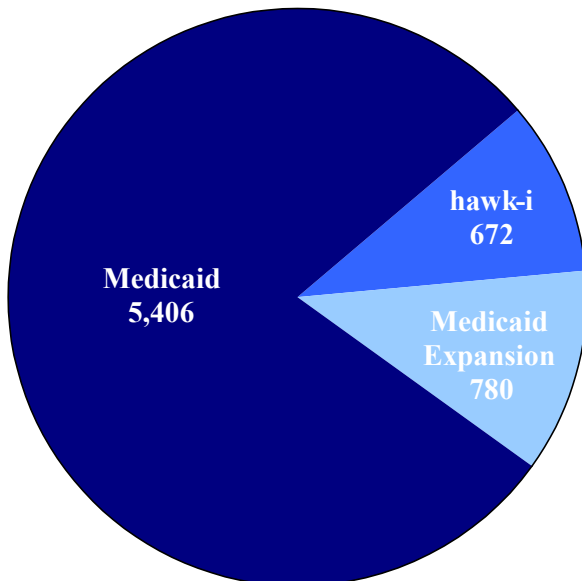
**SFY 2008 Projected
New Enrollees 6,250**



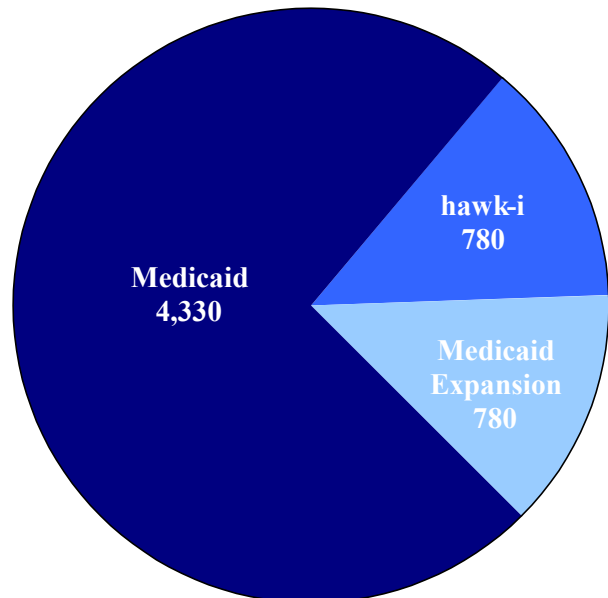
**SFY 2008 Actual
New Enrollees 8,994**



**SFY 2009 Projected
New Enrollees 6,858**



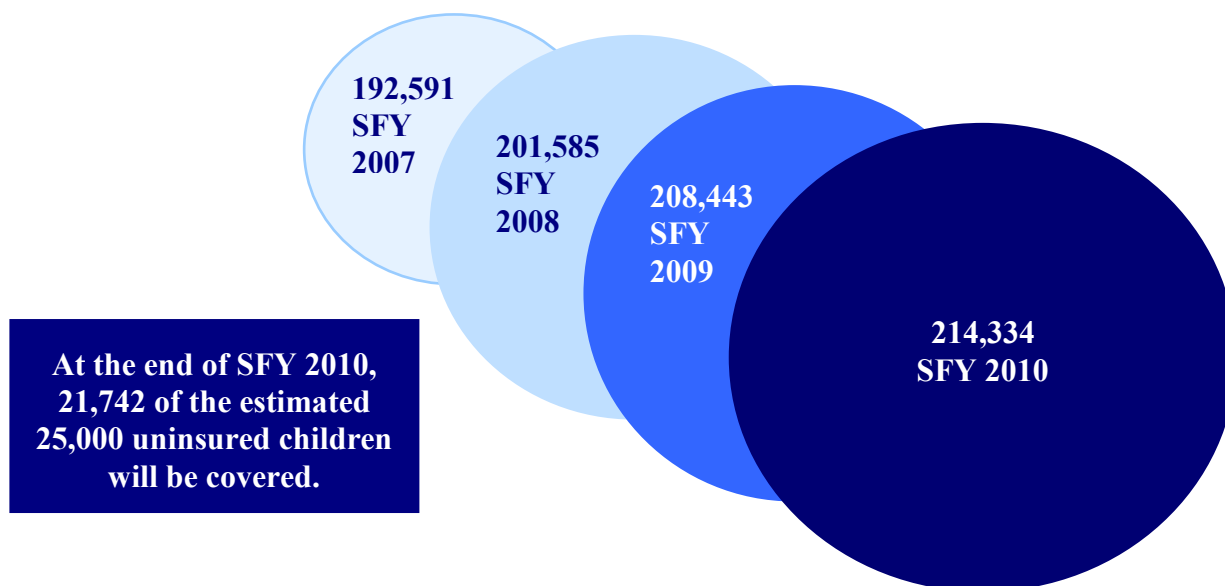
**SFY 2010 Projected
New Enrollees 5,890**



**15,852 Total Growth
SFY 2008 & 2009**

**21,742 Total Growth
SFY 2008, 2009 & 2010**

Total Growth of Children Covered in Medicaid and SCHIP



Quality Review

- The Department contracts with the Iowa Foundation for Medical Care (IFMC) to conduct encounter data analysis, a functional health assessment of children in the program, medical records reviews, and quarterly provider geo-mapping analysis. These functions are all used to measure the impact of the program on children, ensure the availability of quality health care providers, and ensure that children are receiving appropriate care according to clinical guidelines.

Administration

- Field Operations determines eligibility for children covered by the Medicaid expansion program.
- General administration provides oversight and support for policy, fiscal and data management, and human resources.

Offer Description:

Today's Activities and Results:

At the end of SFY 2008, Medicaid expansion was providing Medicaid coverage to 12,368 children, ages 6 through 18 whose countable family income is between 100% and 133% of the Federal poverty guidelines and infants whose countable family income is between 185% and 200% of the Federal poverty guidelines. Services are provided through existing Medicaid provider networks.

At the end of SFY 2008, *hawk-i* was providing coverage to an estimated 22,212 children under age 19, who live in families who have too much income to qualify for Medicaid. Families with countable income at or above 150% of the Federal poverty level pay a monthly premium of \$10 per child (\$20 family maximum) to participate in the program. Coverage is provided through contracts with commercial health plans in accordance with 514I.6 of the Code of Iowa.

The Department will continue a multi-pronged approach to identify and enroll eligible children including, but not limited to:

- Continue partnering with the Department of Public Health for grassroots outreach activities.
- Maintaining a focused statewide media campaign.
- Partnering with the Department of Education to place additional emphasis on increasing participation of schools in making referrals from the Free and Reduced Meals program.
- Partnering with the Department of Revenue in identifying uninsured children through the 2008 State income tax form.

Federal Funding

SCHIP was scheduled to be reauthorized, including new funding levels and allocations, as of September 30, 2008. The President and Congress were unable to reconcile differences in several key areas during the reauthorization process leading to a series of continuing resolutions and ultimately legislation that extended the program with no policy changes through March 2009. The continuing resolutions and extension legislation were designed to provide adequate funding to all states based on their reported expected needs, through March 2009. As of the publication of this budget offer, no decision has been made about the reauthorization of Federal funding for SCHIP beyond March 2009. If adequate Federal funds are not authorized after March 2009, the State will have to take one or more of the following actions:

- Replace the Federal funding shortfall with State-only funds.
- Freeze enrollment in order to use available funding to continue serving children that are currently enrolled and implement a waiting list.
- Disenroll children from the program.
- Reduce benefits and/or increase cost sharing for families.
- Eliminate the separate *hawk-i* program and go to a pure Medicaid expansion option.

Improved Results Activities:

Iowa's Governor and legislature have demonstrated a strong commitment to cover all uninsured Iowa children. 2008 Iowa Acts, S.F. 2425 authorized additional funding in SFY 2009 for coverage of uninsured children under the existing SCHIP programs. In addition, 2008 Iowa Acts, HF 2539 creates a *hawk-i* expansion program beginning July 1, 2009, to provide coverage to children who meet *hawk-i* eligibility criteria but whose family income is at or below three hundred percent of the Federal poverty level. With Federal reauthorization of the Title XXI (SCHIP) program pending and uncertainty if States will be allowed to expand coverage to children above 250% of the Federal poverty level, 100% State funds may need to be appropriated to cover some or all of the costs of the expansion population.

HF 2539 includes appropriations for SFY 2009, 2010 and 2011 to meet the bill's purpose of enrolling additional children in Medicaid, *hawk-i* and the new *hawk-i* expansion program. The SFY 2010 appropriation exceeds the 2009 appropriation by \$10 million. The department intends to work with legislative leadership to clarify how this funding is intended to be used.

Offer Justification

Legal Requirements:

Federal:

Title XXI of the Federal Social Security Act provides states with the option to design programs to provide health care coverage to targeted low-income, uninsured children. The Title XXI (SCHIP) program is currently authorized through March 31, 2009. Federal legislation is required to continue Federal authority and funding the program beyond this date. As of the publication of this budget offer, no decision has been made about the reauthorization of Federal funding for SCHIP.

State:

Chapter 514I of the Code of Iowa mandates the Department of Human Services to have a SCHIP program.

Rationale:

This offer supports the provision of services to participating children and the administration of the SCHIP program. Without this offer, the program will cease and the children covered by the program will most likely become uninsured.

All Iowans Have Access to Quality Care

This program provides health care coverage to low-income children in working families. It contributes to the goal of ensuring that all Iowans have access to quality care by providing eligible children with comprehensive, preventative, and primary care services in early developmental years. Covered services include medical (inpatient, outpatient, emergency), preventative (immunizations and well child visits), dental, vision, chiropractic services, prescription drugs, mental health and substance abuse treatment and more.

Improve Preventative Strategies and Health Education

Preventative strategies, clinical guidelines and health education are required components of each health plan's contract. From monthly newsletters to provider education, immunization and well child appointment reminders, screening and health education, the program strives to make sure that each child and family receives information necessary to make informed health care-related decisions.

Since the inception of the functional health assessment survey, the Impact on Access and Health Status report reveals that after being in the *hawk-i* program for one year, 96% of families report that family stress was reduced significantly. This is attributed to parents no longer having to worry about how they will pay for medical bills if their children are sick or injured.

Improving the Health Care System

The *hawk-i* program has collected results-based health outcome measurements since the program was implemented. Significant improvements in access to care, health status and the family environment were found as a result of providing health coverage through Iowa's SCHIP program.

Children with health care coverage are more likely to have a “medical home” in which to receive medical care. This contributes to overall continuity of care and care coordination. The positive benefits to children should be kept in mind in prioritizing funding decisions. Interaction and guidance received from qualified doctors and medical staff provides children and families with medical, educational, and early intervention services that contribute to a child’s good health and optimal school attendance and performance.

This program provides affordable and accessible health care coverage to families with uninsured children in partnership with private insurers. For every one-dollar spent on this program, Iowa draws down three dollars in Federal funding. By providing a payment source, the amount of uncompensated care provided by hospitals and medical providers is reduced. This impacts the cost that is charged to others in the form of increased cost for care and health insurance premiums. The Impact on Access and Health Status report indicates that parents are significantly more likely to purchase health insurance coverage for themselves once they know their children have comprehensive health care coverage.

Results:

Enrollment in the *hawk-i* and Medicaid Expansion Programs

It is anticipated that as health insurance costs continue to rise in the private market, more families will rely on public assistance programs for health care coverage. It is projected that the SCHIP program will continue to experience steady growth.

Result:	SFY 2008 Actual Level	SFY 2009 Projected Level	SFY 2010 Offer Level
Number of Children who are enrolled in <i>hawk-i</i>	22,212*	22,884	23,664
Number of Children who are enrolled in Medicaid expansion	12,368	13,148	13,928
Total number of children who are enrolled in <i>hawk-i</i> and Medicaid expansion	34,580	36,032	37,592

*Projected: The number of children retroactively enrolled in the *hawk-i* program in June 2008 is not available until September 2008. An estimated 250 cases have been added to the reported June 2008 enrollment number for retroactivity.

Impact on Access and Health Status Outcomes in the *hawk-i* Program

The “Analysis of Functional Health Assessment Survey” report is an evaluation of the effect the *hawk-i* program has on access to care, health status, and the family environment of enrolled children from the family’s perspective. Results of baseline and follow-up functional health assessment survey data are analyzed annually as one of the continuing quality assurance activities of the *hawk-i* program. Additionally, the report measures the effect that the *hawk-i* program had on children, and the families of those children, who were previously uninsured.

Analysis of Functional Health Assessment Survey (Baseline and Follow-up) December 2007		At Time of Enrollment in the <i>hawk-i</i> Program (Baseline Survey)	After Being Enrolled in the <i>hawk-i</i> Program For One Year (Follow-up Survey)
Preventative Care	Children were more likely to have ‘always’ received needed routine preventative care (e.g. physical exams or vaccinations).	68.2 %	83.2 %
Dental Care	Children were more likely to receive needed dental care.	82.9 %	86 %
Behavioral/Emotional Care	Children who needed behavioral or emotional care were less likely to be stopped from receiving such care.	30.0%	17.1%
Impact on Families	Family worries about the ability to pay for health care were reduced significantly.	43.3 %	18.2 %
	Families were more likely not to limit their child’s activities because they did not have health care coverage.	84.7 %	89.2 %
	More parents had health insurance for themselves.	55.8%	59.0%

*Analysis of Functional Health Assessment Surveys (Baseline and Follow-up) December 2007.

These results assume the level of funding requested in the offer in all appropriations as well as full funding of salary adjustment. If funding is insufficient in either area, results to be achieved will be modified to reflect the impact.